

Properties in which a governmental entity or nonprofit organization expressed an intent to purchase, during the 10-day period, will continue to be held off the market pending receipt of the sales contract. If a sales contract is not received within a time period of up to 10 days, as determined by HUD, following expiration of the 10-day consideration and inspection period, and no other governmental entity or nonprofit organization has expressed an interest, then the property will be offered for sale under the competitive bid process.

(3) In order to ensure that properties purchased at a discount are being utilized for expanding affordable housing opportunities, HUD may require, as appropriate, periodic, limited information regarding the purchase and resale of such properties, and certain restrictions on the resale of such properties.

(b) *Sales to other individuals or entities.* HUD may also seek to dispose of properties through other methods, such as direct sales to displaced persons, sales of razed lots, bulk sales, auctions, or direct sales to other individuals or entities that do not meet any of the categories specified in this section, if a finding is made by the Assistant Secretary for Housing-Federal Housing Commissioner or his or her designee in writing that such sales would further the goals of the National Housing Act (12 U.S.C. 1701 *et seq.*) and would be in the best interests of the Secretary. These sales will be upon such terms and conditions as the Secretary may prescribe.

(Approved by the Office of Management and Budget under OMB control number 2502-0306)

**§ 291.150 Sanctions against fraudulent purchase.**

False certification by a purchaser concerning occupancy of single family properties financed by an insured mortgage is a violation of 18 U.S.C. 1001, which may result in the required prepayment of the mortgage in the amount of the difference between the downpayment made and the downpayment required if the loan had been processed as an investor purchaser loan, or in criminal prosecution.

**Subpart C—Rental of Acquired Property**

**§ 291.200 General policy.**

HUD will lease acquired property to comply with other designated HUD programs, or when the Secretary determines that it is in the interest of HUD. Leases may include an option to purchase in appropriate circumstances.

[61 FR 55714, Oct. 28, 1996]

**Subpart D—Sale of HUD-Held Single Family Mortgage Loans**

SOURCE: 62 FR 3769, Jan. 24, 1997, unless otherwise noted.

**§ 291.301 Definitions.**

For purposes of this subpart, the following definitions apply:

*Bid package* means the documents prepared for bidders in a mortgage loan sale, and includes the following: An Executive Summary containing information on FHA single family mortgage loan sales and background on HUD programs; a description of post-sale servicing requirements; due diligence information and reports; mortgage loan information; a copy of the Loan Sale Agreement and its exhibits; bidding and closing information; and such other information and requirements as the Secretary may determine necessary.

*Payment plan agreement*, for purposes of § 291.307(c)(2), means an agreement between the purchaser and the mortgagor for payments after the 36-month period of statutorily authorized forbearance relief has expired.

*Single family mortgage loan* means a mortgage loan on a single family property assigned to HUD under section 230(b) of the National Housing Act (as that subsection existed prior to January 26, 1996) (12 U.S.C. 1715u), a mortgage loan on a single family property insured by HUD under section 221 of the National Housing Act (12 U.S.C. 1715l), a mortgage loan on a single family property issued in connection with the settlement of the *Ferrell* litigation, a purchase money mortgage loan issued by HUD on a single family property sold from HUD's inventory that was not connected with the settlement